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Fractional Currency Collectors Board

JULY NEWSLETTER

FORMAT

I wanted to get this edition of the newsletter out as soon as I could after Memphis, so I reverted to the old format of single page copying and stapling. The old, more preferred format will return with the next edition, hopefully out in October/November.

MEMPHIS MEETING

Well, the 21st edition of the International Paper Money Show in Memphis, Tennessee is now history. It remains a great show and a place to make some great finds, additions to our collections, but most of all to learn new things, make new friends and commiserate with old ones. That is now the true joy of Memphis for me. I have attached the minutes of our meeting as taken by our very competent secretary Howard Cohen.

EXHIBIT AWARDS

Five of our members placed exhibits on fractional currency at Memphis. Once again, Len Glazer donated beautiful plaques for the top three awards, **THANKS AGAIN LEN!** Bob Laub won first place with his innovative and unique method of exhibiting Secretary of the Navy Gideon Welles' Fractional Currency presentation book and life story. I was fortunate enough to take second with my exhibit on Spencer Morton Clark and third issue five cent notes and Doug Hales took third with his exhibit on first issue twenty-five cent notes. Also exhibiting were Bill Brandimore who showed second issue notes and Tom O'Mara who did a timeline of Fractional Currency. Two of our members won other awards for their non-fractional exhibits. Milt won the Souvenir Card Collector's award for his exhibit on handkerchiefs (Howard wanted to know if Kimberly-Clark donated the award) and Nancy and John Wilson won **Best-of-Show** with their exhibit on Santa Claus and fiscal paper. It is not too early to be thinking about exhibiting next year!

NEW PRESIDENT

Tom O'Mara agreed to accept the mantra of President of our group from Doug Hales. Doug will assume the role of Vice-President/new president mentor and Milt will assume the role of *"Vice-President emeritus."* Tom joined our group in November 1992 and is very active in the field. I have asked him for a personal profile and a few words of wisdom which I will include in the next edition. I think we all owe a great debt of gratitude to both Doug and Milt for all

their leadership, mentorship and friendship over the years. They have led our organization well and will continue to provide quality leadership in their new roles.

BOOK

Speaking of our new president, boy did he get off on the wrong foot with me! He took Colonel Baker's libelous report of his investigation of Clark and Gwynn and had them bound in a gorgeous black cover with gold writing and has made them available to our membership. They are really nicely done (the outside that is) and are truly a must for all Fractional libraries--Thanks Tom--I guess. If you want one, send him \$17 for the book and postage and he will send you the tabloid reporting information. By the way, as the self-appointed defender of Spencer, Mr. Clark to most, I merely want to add that a Congressional Committee of the highest integrity led by a future President, James Garfield, in their report stated (418 pages long), and I quote, *...the committee are fully persuaded that these charges were, in part, the result of an effort on the part of some to break up the plan of printing in the Treasury Department, and partly the result of a conspiracy on the part of Colonel Baker and the female prostitutes associated with him, by the aid of coerced testimony, to destroy the reputation of Mr. Clark... The injury thus wantonly inflicted, and the publicity given to these shameful and unfounded charges, appear in a still stronger light when contrasted with the exceedingly weak and inadequate evidence adduced to sustain them.*" Actually, the report by Colonel Baker and the ensuing investigation by the Garfield Committee makes fascinating reading. Get Colonel Baker's report in the bound version from Tom and if you want the Garfield Committee report, I have the entire 418 page report listed in our index and you can own your own copy for about \$20 w/postage.

INDEX

Milt has completed a revision of the index to the Encyclopedia. It has all the new finds, new information and rarity numbers in it. Each member will receive a copy of it with the next newsletter.

UPDATED CATALOG OF ENVELOPED POSTAGE

Milt has also updated his catalog of enveloped postage with new scanned in images, new finds as well as changes of pedigrees that occurred due to the change of ownership of his collection. If you are interested, let me know. Cost, with postage will be about \$5 each. Incidentally, we voted to no longer include this with the new member packets due to its' advanced topic and rising printing/postage costs.

PEDIGREES

Milt would like to know who bought which lots from his sale , especially the ones that are pedigreed so he can update the pedigrees. If you bought any of these, Milt would appreciate it if you would drop him a card to let him know.

ART NEEDS INFO!

Art Paradis is also asking for your help. He would like information for his project on counterfeit fractional currency and the counterfeiters. If you have any notes you think may be of interest to him, send him a description or copy of the note. He especially would like fourth issue fifteen cent notes, any fifth issue, proof, inverted or dated/signed notes. Also, if you have any counterfeit detectors such as the one put out by Dickerson that tells about who was doing

the counterfeiting, or any information at all on the counterfeiters themselves, newspaper clippings, etc., drop him a note.

NEW FINDS

There was one **MAJOR** new find on the floor at Memphis. Mike Marchioni found a very circulated Fr. 1351! He says it is the second worst known, but when it is a 1351, **WHO CARES?** My personal favorite purchase was a note I saw at a show in Dallas late last year. It is a Dexter in VG-F with a purple stamp on the back of it of the 1892 Chicago Colombian Exposition! Love those manuscript notes.

FUN MEETING

If you are going to attend FUN '98 in January, be thinking if you would like to attend a meeting, social event or meal. I will send out cards in the next newsletter so you can RSVP with Doug if you are interested. If there is enough interest, he will set something up.

MART DELGER

In case you have not heard, one of our charter members, Mart Delger was given a Numismatic Ambassador Award by Krause Publications at the Memphis show. Congratulations Mart!

MEMBERSHIP

We currently have 103 members paid up, which leaves us with 39 unpaid for the year. These have been sent letters requesting their dues.

PHONE NUMBERS/E-MAIL ADDRESSES

Let me know if you want your phone number/E-mail address published in the newsletter. I need your current one as what I have may be outdated.

1998 EXHIBIT

In celebration of our 15th anniversary, I want to do an exhibit at next years Memphis on the first fifteen years of our club. Please send me any pictures of our group you may have (and the negative if possible) and I will copy them and send them back. Please label them with the date taken and who/what they are. I also would like small sized pictures of all the charter members.

SOMEBODY BUY IT!

For those of you interested in postage currency coins, I ran across something you may not be aware of. In the ANA Auction to be held by Heritage Numismatic Auctions at the end of July, there is a *"forgotten"* postage currency coin. Excerpts of the description are *"a unique, undated pattern piece from 1863-1868, once forgotten and formerly in the King Farouk collection. The pattern, an undated Postage Currency 10 cents struck in aluminum, was originally listed (although not photographed) in the Edgar H. Adams-William H. Woodin pattern reference of 1913, but was unlisted in either Judd or Pollock. The reverse appears to be the regular dime reverse used during the 1860s. The pattern differs from the other Postage Currency reverses of 1868, lacking both the six-pointed star above ONE and the date below DIME. This pattern first re-emerged in the numismatic market in 1954 at the sale of King Farouk's collection. The coin retains a special flip made by dealer Sol Kaplan reading: 'FROM THE PALACE COLLECTION CAIRO EGYPT.'* Catalogs for the sale may be obtained from Heritage at 1-800-872-6467.

**MINUTES
FRACTIONAL CURRENCY COLLECTORS BOARD
ANNUAL MEETING - 1997**

The 1997 Annual Meeting of the Fractional Currency Collectors Board (FCCB) was called to order at 2:05P.M., June 21, 1997, President Doug Hales presiding. The location of the meeting was the Holiday Inn Crowne Plaza Hotel, Memphis, Tennessee. This FCCB 1997 meeting was scheduled during the 1997 International Paper Money Show. Attendance totaled twenty-six (26) members and guests at the start of the meeting.

President Hales announced the FCCB "Officers" to those in attendance: Doug Hales, President; Milt Friedberg, Vice President; Benny Bolin, Executive Secretary and Newsletter Editor; Dr. Wally Lee, Treasurer; Martin Gengerke, Liaison to the ANA; Chief Bill Brandimore, Membership Secretary; Howard Cohen, Scribe.

Doctor Lee was requested to give the Treasure's report. Dr. Lee stated that the FCCB had an account balance of US\$2,639.75. There were 44 members whose dues were unpaid at this time. **(Scribe's note: Those whose membership dues are not paid shortly will be "dropped" from membership.)**

Membership Secretary Bill Brandimore reported that, among other things, an article in *Coin World* about the FCCB led to several new membership applications in the past year. For the year, the total of new members has been above twenty. The FCCB membership role contains one hundred fifty-six (156) members. With forty-four memberships being unpaid, the total of paid member is one hundred twelve (112).

Newsletter Editor Benny Bolin stated that the "new membership packet", mailed to new members, contains the *Simplified Edition of The Encyclopedia of United States Fractional & Postal Currency*, the *Catalog of Enveloped Postage*, and copies of several previous FCCB Newsletters. The new membership fee of \$22 does not cover the cost of the mailings. It was suggested by Mr. Bolin that the *Catalog of Enveloped Postage* be dropped from the mailing because of the cost. If any new member wanted the *Catalog of Enveloped Postage*, that member could request that it be sent and it would be shipped. This was approved by the members.

President Hales asked for "old business" from the floor.

Vice-President Milt Friedberg spoke regarding the publication of the *Simplified Edition of The Encyclopedia of United States Fractional & Postal Currency*. He and FCCB member Mike Marchioni had worked on this publication. Mr. Friedberg wanted to approach other groups (particularly, the Society of Paper Money Collectors) to inquire if any of those groups would publish the "Simplified Edition". Mr. Friedberg indicated that he had been given access to many of the photos used in the auction catalogue of the sale of his collection and had used these to enhance the "Simplified Edition".

Members said that the "Simplified Edition" was a valuable tool for fractional currency collectors, particularly new collectors. It contained background material which both educated the collector and put the various issues in historical perspective. Members felt that, with actual publication, the usual channels of sales and distributions of hobby related books would provide a broad network to add interest to the field of postage and fractional currency. Howard Cohen mentioned that he had heard that, "in the works", was a book on currency which would include a detailed section on fractional currency and color photos. Further, Mr. Cohen said he felt that the originally

published full edition of *The Encyclopedia of United States Fractional & Postal Currency* was the truly valuable tool for collectors because of its detail and that novice collectors generally used as their initial reference *Paper Money of the United States*. Other members felt that the "Simplified Edition" was a much more valuable "tool" for the novice collector and that an effort should be made to have it published and widely disseminated. Howard Cohen moved that Milt approach the Society of Paper Money Collectors for the purpose of having it publish the "Simplified Edition". This motion was seconded and approved.

Milt Friedberg held up a copy of the auction catalogue of his collection and indicated that he would like members who had purchased some lots in the auction to mark in the catalogue which lots were purchased. Milt said that he was trying to maintain the pedigree of many of the pieces. If a member indicated to Milt which lots that member had purchased and gave Milt permission to include this in any pedigree list, Milt could maintain the "history" of a piece. **Any member who wishes to indicate to Milt the lots that she/he purchased at auction from Milt's collection and who has not previously done so, please inform Milt (Milt Friedberg, 8803 Brecksville Rd. Unit 7 - #203, Brecksville, OH 44141). By indicating to Milt which lots you purchased, you also are giving up anonymity. If you wish to maintain the anonymity of your purchase(s), do not provide any information.**

Mr. Friedberg said that the "Simplified Edition" did not contain an index referencing the rarity of the various notes. He has prepared such an index and asked if the members wanted this to be sent to the FCCB members. It was moved, seconded, and passed that such an index be sent to all the members.

Under "new business", President Hales mentioned new discoveries of notes. A note - a FR1351 not previously within the census - had been purchased on the floor of show. With this purchase, there is sufficient reason to believe that 3 or 4 sheets of the Fiber issue notes (FR1351-54) were printed.

President Hales stated that the meeting ("get together") in Orlando in January of 1997 was enjoyable to all. He asked if the members were interested in getting together in Orlando in January of 1998 during the F.U.N. convention. A minimum of 12-15 members would have to come, because of minimum requirements associated with obtaining a separate meeting room. **In the Fall mailing of the FCCB newsletter, a questionnaire will be sent to all members which will ask those members who will attend the F.U.N. convention in January of 1998 if they wish to meet in Orlando.**

President Hales announced that the officers of the FCCB were all volunteers and served at the pleasure of the membership. President Hales said that any member who wished to serve as an officer could do so, by volunteering. President Hales indicated that he had been president for quite a long time and felt that "new blood" should be introduced. Consequently, Tom O'Mara had agreed to become the new president. Doug Hales would now be the Vice President and Milt Friedberg would be Vice President *Emeritus*.

President Tom O'Mara announced that he would appreciate feedback from members regarding what they wanted him and the FCCB to be and do. He indicated that he had to grow into the job.

In the auction of Milt Friedberg's collection, there was an auction lot which contained a copy of the June, 1864, report (by Colonel L.C. Baker) to Secretary of the Treasury Chase regarding Stuart Gwynn and S.M. Clarke, superintendent of the National Currency Bureau of the Treasury Department. Tom O'Mara was the purchaser of this lot at the auction. Mr. O'Mara has had the report reproduced (including the brief notations Milt Friedberg made) and bound in hard cover. The cost to Tom was \$13.50. **Those members who want this hard bound copy of "The Report of Col. L.C. Baker, U.S.A., to the Hon. S.P. Chase, Secretary of**

the Treasury, in the Case of Stuart Gwynn and S.M. Clark", can please send \$17.00 (\$13.50 for the hard bound copy, \$3.50 for packaging and shipping) to Tom O'Mara (Tom O'Mara, 55 Rumson Road, Rumson, NJ 07760). (Scribe's note: The Baker report covers a very interesting period in the history of the manufacture of U.S. currency. Private companies had, for many years, manufactured paper currency for banks in the U.S. and for the U.S. government. Officials within the Treasury Department felt that internal - government - manufacture of paper currency would reduce the costs of producing paper currency and increase security. A Dr. Stuart Gwynn was hired to aid in the development of internal manufacture. The internal - government - manufacture of paper money was strongly opposed by the private companies, who began great lobbying and PR efforts to maintain the contracts they had formerly received. These efforts invented "scandals". These scandals, along with Dr. Gwynn's actual work, were examined and reported in the Col. Baker report.)

President O'Mara said that it was important that each FCCB member examine and make certain that her/his FCCB mailing address is correct. Some addresses are incorrect and have resulted in valuable correspondence (and property) being lost.

Milt Friedberg was called on to conduct the 1997 Awards Presentation for Fractional Currency exhibits at the International Paper Money Show. Milt mentioned that there were six (6) fractional currency exhibits this year; and the judges were unanimous in each of their selections. The 3rd Place Award was given to Doug Hales for his exhibit, "Twenty-Five Cent United States Postage Currency". The 2nd Place Award went to Benny Bolin for his "Spencer Morton Clarke, The Man, The Real Story, The Notes". The 1st Place Award went to Bob Laub's "Fractional Currency Presentation Book - This Book is Really on the Money". The Plaques and Fractional Notes were generously provided by Len and Jean Glazer, with the assistance of Martin Delger. Once again, the FCCB members thank the Glazers for their generosity and Mr. Delger for his Herculean efforts.

Art Paradis was this year's speaker at the meeting. Mr. Paradis was asked to speak on counterfeits of postage and fractional currency. His company does software engineering for mineral exploration throughout the world. Given his experience with computer graphics and imaging, he felt that he might be able to use this experience to catalogue and image the wide variety of counterfeits of fractional and postage currency that exist. Art indicated that he was given considerable impetus for undertaking this activity when, in the 1996 FCCB meeting in Memphis, it was mentioned that scanning into computers was inadequate to provide good images of currency. Art proceeded to present numerous overhead projections, showing details of counterfeit notes. All the overhead transparencies resulted from images of notes scanned into computers.

(Scribe's note: "Scanning" a fractional currency note into a computer actually means copying and storing the picture of the note into the computer. Once scanned into a computer, the picture - "image" - can be brightened or darkened, enlarged, and/or manipulated in many ways. For his presentation, Mr. Paradis created many overhead projection displays which focused on particular areas of notes which highlighted counterfeit details. Mr. Paradis created these slides by scanning in each of the notes, focusing on the area of the notes that he wanted to examine, "zooming in" - enlarging - these areas to highlight the counterfeiting, and merging similarly highlighted areas of different notes onto a single screen, with the merged images juxtaposed so that highlighted area from several counterfeits were shown side by side. Each of these "merged" screens was printed onto overhead transparencies for the presentation to the FCCB members at the meeting. For example, one overhead contained the face of Washington as it appeared on about ten different counterfeits of a first issue note.)

Mr. Paradis stated that we "owe a debt of gratitude" to the counterfeiters. It was their counterfeiting which led to the printing of the many different varieties of postage and fractional currencies.

There are numerous counterfeits still existing. Even experienced collectors have unknowingly bought counterfeit notes. Most counterfeit notes are in crummy condition, because counterfeiters

released them in circulated condition because the counterfeiting was less likely to be discovered on notes in such condition. Mr. Paradis mentioned that counterfeit notes are not legal and their ownership is not legal. So, many owners of counterfeit notes would rather remain anonymous.

Art showed many overheads which highlighted the counterfeiters efforts: There were many different facial expressions on Washington among the counterfeit 25 cent first issue notes highlighted. The smoke from the train on the second issue, when enlarged as Art presented, showed numerously different patterns. The beard on Fessenden's face in the third issue assumed many new dimensions and shades among the counterfeits.

During the time when fractional notes were widely accepted as circulating currency, it was common practice for someone who received a note which looked questionable to indicate the name of the person who gave the note and the date of receipt. By doing this, any note returned as counterfeit could find its way back. Art showed several "signed and dated" counterfeit notes.

Art said that he had found to date, in his short period of study, about 100 different varieties of counterfeits. (Approximately one out of every 200 fractional notes are counterfeits.) Art has found counterfeits with inverted surcharges and has found proofs of counterfeit notes. There are three known full sheets of counterfeit notes.

Art's presentation demonstrated that a whole new "source of knowledge" may be opening up to all collectors. By scanning images of counterfeit notes into computers and highlighting areas which identify counterfeiting, all collectors can potentially be given the "counterfeit detectors" (scribe's phrasing) they need to help them in collecting legitimate notes. Art said that the printing of such detailed graphics (pictures) was rather costly; but, thousands of images could be copied inexpensively onto a CD-ROM. He hoped to provide this service to collectors in the future. **Art Paradis mentioned that he would like to act as a repository for information on counterfeits. So, if any member has any samples (notes) that she/he wishes to share with Art, please contact him. (Art Paradis, 1404 Reliez Valley Road, Lafayette, CA 94549).**

With the ending of Art's presentation, the meeting adjourned.